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Item No. 7

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(CHINA TRADE)

WASHINGTON (UPI) -- SEN. HUGH SCOTT, R-PA., SAYS CHINESE OFFICIALS TOLD HIM DURING HIS RECENT PEKING VISIT THEY ARE WILLING TO HOLD TALK AND TRADE WITH TAIWAN.

"WHILE I WAS IN CHINA THIS TIME, I WAS INTERESTED TO HEAR THAT THE CHINESE WERE READY, AT ANY TIME, TO TALK WITH REPRESENTATIVES OF TAIPEI, AND TO TRADE WITH TAIWAN," SCOTT SAID IN A REPORT TO THE SENATE PUBLISHED THURSDAY IN THE CONGRESSIONAL RECORD.

TERMING IT "A MATTER OF SOME URGENCY," SCOTT URGED FULL DIPLOMATIC RELATIONS BE ESTABLISHED WITH CHINA EARLY IN 1977 "IF THE EXPECTATIONS FOR PEACE AND AMITY, IMPLICIT IN THE SHANGHAI COMMUNIQUE, ARE TO BE REALIZED."

HE ALSO SAID TAIWAN SHOULD AVOID OPEN WARFARE BY PLAYING A POSITIVE ROLE IN FINDING A PEACEFUL SOLUTION TO ITS DISPUTE WITH PEKING.

BUT SCOTT SAID WASHINGTON SHOULD NOT BREAK RELATIONS WITH TAIWAN "UNLESS AND UNTIL WE HAVE MADE A CONVINCING CASE THAT THE RISKS OF DAMAGE TO THE LONGER TERM INTERESTS, SAFETY AND PROSPERITY OF TAIWAN THROUGH TAKING THAT STEP ARE NOT GREAT."

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Executive Registry

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For

Comment:

Have we documented this claim by Scott??

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